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BOARD OF DIRECTORS

Chairman PTCL Board

Dr. Muhammad Sohail Rajput

Members PTCL Board

Abdulrahim A. Al Nooryani

Yusuf Khan

Hatem Dowidar

Hassan Nasir Jamy

Khalifa Al Shamsi

Syed Hussnain Abbas Kazmi

Hesham Al Qassim

Dr. Mohamed Karim Bennis

CORPORATE INFORMATION

Management

Hatem Mohamed Bamatraf
President & Group Chief Executive Officer

Mohammad Nadeem Khan
Group Chief Financial Officer

Syed Mazhar Hussain
Group Chief Human Resources Officer

Zahida Awan
Group Chief Legal Officer

Moqeen UI Haque
Chief Commercial and
Group Corporate Strategy Officer

Saad Muzaffar Waraich
Group Chief Technology &
Information Officer (Operations)

Adnan Anjum
Group Chief Marketing Officer

Zarrar Hasham Khan
Chief Business Services Officer

Muhammad Shehzad Yousuf
Chief Business Operations Officer

Naveed Khalid Butt
Group Chief Regulatory Officer

Jafar Khalid
Group Chief Technology &
Information Officer (Development)

Shahid Abbas
Group Chief Internal Audit

Company Secretary

Saima Akbar Khattak
Group Company Secretary

Legal Advisor

Zahida Awan
Group Chief Legal Officer

Bankers

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Citibank N.A.
Deutsche Bank A.G.
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
S.M.E. Bank Limited
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
The Punjab Provincial Cooperative Bank Limited
United Bank Limited
Zarai Taraqiati Bank Limited
Mobilink Microfinance Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited

Islamic

Al Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Burj Bank Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
MCB Islamic Bank Limited

Registered Office

PTCL Headquarters,
Sector G-8/4,
Islamabad-44000, Pakistan.
Fax: +92-51-2263733
E-mail: company.secretary@ptcl.net.pk
Web: www.ptcl.com.pk

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Share Registrar

FAMCO Associates (Pvt.) Limited
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.
Tel: +92-21-34380101-2
Fax: +92-21-34380106
E-mail: info.shares@famco.com.pk

DIRECTORS' REVIEW

The Directors of Pakistan Telecommunication Company Limited (PTCL) are pleased to present to the shareholders the financial statements of the Company for the quarter ended 30th September 2021.

PTCL Group

PTCL Group delivered robust financial and operational performance and posted a revenue of Rs 102.4 Billion in first nine months of 2021 that is 7% higher as compared to the same period of last year. It registered net profit of Rs 3.7 Billion as compared to Rs 1.6 Billion for the same period of last year.

PTCL

PTCL successfully sustained the momentum of growth and cemented its market standing as the largest fixed line telecom player in the country. PTCL's revenue of Rs 57.3 Billion for the nine months period is 7.3% higher than the same period last year, mainly driven by Broadband and Corporate & Wholesale business segments. The company has posted operating profit of Rs 3.7 Billion, which is higher by 44.3% compared to the same period of last year. Net profit of Rs 5.7 Billion has significantly increased by 39.2% from last year.

The company is upgrading its existing infrastructure and network, besides expanding FTTH across the country to offer seamless connectivity for greater customer experience. Prompt deployment of FTTH and strong performance in Corporate and Wholesale segments are the cornerstone in PTCL's topline growth, which along with focus on cost optimization program, has significantly increased the company's profitability.

PTCL Consumer Business showed consistent performance as it reports 5th straight quarter of growth. During the 9 months of 2021, company's Fixed Broadband business grew by 12.7% YoY, whereas PTCL IPTV segment also grew by 13.5%. Within broadband business, the groundbreaking PTCL Flash Fiber, Fiber-to-the-Home (FTTH) service showed a tremendous growth of 57.5%, whereas PTCL Charji /Wireless Broadband Segment grew by 17.8%. Voice revenue stream has declined on account of lower voice traffic and continued conversion of customers to OTT services.

Business services segment continued its momentum sustaining market leadership in IP Bandwidth, Cloud, Data Center and other ICT services segments. PTCL's Corporate business grew by 12.9% as compared to the same period last year, while Carrier and Wholesale business continued its growth momentum and achieved 10.3% overall revenue growth. International voice revenue has shown declining trend like domestic voice revenue.

Being the national telecom carrier and connectivity backbone in Pakistan, PTCL Group strives to provide innovative solutions to accelerate growth for a 'Digital Pakistan' through robust telecommunication infrastructure and enhanced customer experience.

PTML – Ufone

PTML posted revenue growth of 4.6% despite stiff competition in the market. PTML acquired additional 9 MHz 4G spectrum in the 1800 MHz Band in NGMS spectrum auction in September 2021, fulfilling its commitment to provide enhanced customer experience through quality services across Pakistan. The additional spectrum will meet the increasing demand for wireless data products amongst the consumers in Pakistan in addition to providing innovative products and services.

After acquisition of 4G spectrum, Ufone intends to fully modernize its network and further enhance its coverage across Pakistan. The network upgradation and modernization has already started paying dividends with significant improvement in data user experience for customers.

In addition to the acquisition of 4G spectrum in Pakistan, Ufone has also renewed and acquired more spectrum in Azad Jammu & Kashmir/Gilgit Baltistan to bolster its existing service. Through

this, it has reaffirmed its commitment to provide quality data services to the people of Pakistan and AJK/GB.

UBank

UBank, the microfinance and branchless banking subsidiary of PTCL, continued its growth trajectory and has achieved 23% growth in its revenue over the corresponding period last year, by increasing its advances portfolio and treasury investments. The bank grew its funding book to a PKR 70 Billion by leveraging on its deposit and corporate finance arms, which is in line with the bank's ambition to maintain its superior liquidity position. Major strategic initiatives undertaken by the bank include venturing into the Low-Cost Housing, International Remittance, and Islamic Banking space. The bank plans to invest in technology to make the most of the opportunities available on the digital banking front.

Corporate Social Responsibility (CSR)

PTCL Razakaar, PTCL's employee volunteer force, arranged open-air picnics for over a thousand children across 17 locations in Pakistan in collaboration with schools, orphan homes and charity organizations.

PTCL Group has so far vaccinated 98% of its employees in one of the largest staff vaccination drive by a corporate company in the country, demonstrating duty of care to its people and ensuring the safety of people it serves

The management and employees of PTCL remain committed to provide quality services at competitive prices through concerted efforts to be the partner of choice for our customers and also to improve shareholders' value.

On behalf of the Board



Dr. Muhammad Sohail Rajput
Chairman, Board of Directors PTCL



Hatem Mohamed Bamatraf
President & Group Chief Executive Officer

Dubai: October 18, 2021

ڈائریکٹرز کا جائزہ

پاکستان ٹیلی کمیونیکیشن کمپنی لمیٹڈ (پی ٹی سی ایل) کے ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے مالی حسابات اپنے شیئر ہولڈرز کو پیش کرتے ہوئے خوشی محسوس کر رہے ہیں، جن کا قانونی آڈیٹرز نے جائزہ بھی لے لیا ہے۔

پی ٹی سی ایل گروپ

پی ٹی سی ایل گروپ نے بہترین مالیاتی اور آپریشنل کارکردگی کا مظاہرہ کرتے ہوئے سال 2021 کے ابتدائی نو ماہ کے دوران 102.4 ارب کارپوریٹ حاصل کیا جو گزشتہ سال اسی عرصے کے مقابلے میں 7 فیصدزائد ہے۔ کمپنی نے گزشتہ سال کی اسی مدت کے لیے 6.1 بلین روپے کے مقابلے میں 7.3 بلین روپے کا خالص منافع حاصل کیا۔

پی ٹی سی ایل

پی ٹی سی ایل نے کامیابی کے ساتھ اس سہ ماہی میں بھی اپنی ترقی کی رفتار کو برقرار رکھا، یہی وجہ ہے کہ وہ مارکیٹ میں ملک کے سب سے بڑے فکسڈ لائن ٹیلی کام پلیر کے طور پر موجود ہے۔ پی ٹی سی ایل کی آمدن ان نو ماہ کے دوران 57.3 ارب رہی جو گزشتہ سال اسی عرصے کے مقابلے میں 3.7 فیصدزائد رہی جس کی بڑی وجہ براڈ بینڈ اور کارپوریٹ اینڈ ہول سیل بزنس کے شعبوں میں اضافہ ہے۔ کمپنی نے 7.3 ارب روپے آپریٹنگ منافع حاصل کیا جو گزشتہ سال اسی عرصے کے مقابلے میں 44.3 فیصدزائد ہے۔ گزشتہ سال کے مقابلے میں خالص منافع 39.2 فیصد کے اضافے سے 17.5 ارب روپے ہو گیا۔

کمپنی اپنے موجودہ انفراسٹرکچر اور نیٹ ورک کو اپ گریڈ کر رہی ہے، اس کے ساتھ ساتھ ملک بھر میں فائبر نوڈی ہوم (ایف ٹی ٹی ایچ) میں وسعت لاکر بڑے پیمانے پر صارفین کو بلا تعطل کنکٹوٹی اور بہترین سروسز فراہم کی جا رہی ہیں۔ ایف ٹی ٹی ایچ کی تیز رفتاری سے تنصیب اور کارپوریٹ و ہول سیل شعبوں میں مستحکم کارکردگی پی ٹی سی ایل کی ترقی کا گراں قدر باب ہے ساتھ ہی آپٹائزیشن پروگرام بھی کمپنی کے منافع میں اضافے کا اہم سبب ثابت ہوا۔

پی ٹی سی ایل کنزیومر بزنس نے مسلسل پانچویں سہ ماہی میں بھی عمدہ کارکردگی دکھائی۔ سال 2021 کے 9 ماہ کے دوران کمپنی کا فکسڈ براڈ بینڈ بزنس گزشتہ سال کی اسی مدت کے مقابلے میں 12.7 فیصد بڑھا جبکہ پی ٹی سی ایل آئی پی ٹی وی سیکٹ میں 13.5 فیصد اضافہ دیکھا گیا۔ براڈ بینڈ بزنس کے اندر پی ٹی سی ایل کے بنیادی فلیش فائبر، فائبر نوڈی ہوم (ایف ٹی ٹی ایچ) سروس میں 57.5 فیصد کا بڑا اضافہ ہوا۔ جبکہ پی ٹی سی ایل چارجی/ وائرلیس براڈ بینڈ سیکٹ میں 17.8 فیصدزائد کیا گیا۔ وائرلیس ٹریفک میں کمی کی وجہ سے وائرلیس ریونیو میں کمی آئی اور اوور دی ٹاپ سروسز کی جانب صارفین کی منتقلی جاری رہی۔

بزنس سروسز کے باعث مستحکم ترقی کے سفر کو جاری رکھتے ہوئے آئی پی بینڈ وڈھ، کلاؤڈ، ڈیٹا سینٹر اور دیگر آئی ٹی خدمات کے شعبوں میں مارکیٹ پوزیشن برقرار رہی۔ پی ٹی سی ایل کا کارپوریٹ بزنس گزشتہ سال کی اسی مدت کے مقابلے میں 12.9 فیصدزائد رہا جبکہ کیریئر اور ہول سیل بزنس میں بھی مسلسل ترقی کا سفر جاری رہا اور مجموعی طور پر ریونیو میں 103 فیصد اضافہ ہوا البتہ ملکی اور بین الاقوامی وائرلیس ریونیو میں کمی کا رجحان دیکھا گیا۔

پاکستان میں قومی ٹیلی کام کیریئر اور کنکٹوٹی میں بنیادی اہمیت کا حامل پی ٹی سی ایل گروپ ملک میں تیز رفتار ٹیلی کمیونی کیشن انفراسٹرکچر اور صارفین کو پہلے سے بہتر خدمات کی فراہمی کے لئے کوشاں ہے۔ جس سے ڈیجیٹل پاکستان کے لئے ترقی کی رفتار بڑھانے میں مدد ملے گی۔

پی ٹی ایم ایل - یوفون

مارکیٹ میں سخت مسابقت کے باوجود پی ٹی ایم ایل نے ریونیو میں 6.4 فیصد اضافہ کیا۔ پی ٹی ایم ایل نے ستمبر 2021 میں این جی ایم ایس سپیکٹرم نیلامی میں 1800 میگا ہرٹز بینڈ میں اضافی 9 میگا ہرٹز 4 جی سپیکٹرم حاصل کیا، تاکہ پاکستان بھر میں اپنی

معیاری خدمات کے ذریعے صارفین کو بہترین سروسز کی فراہمی کے عزم کی تکمیل کی جائے۔ یہ اضافی اسپیکٹرم صارفین میں وائرلیس ڈیٹا پروڈکٹس کی بڑھتی طلب پوری کرے گا اور اسکے ساتھ ساتھ جدت انگیز پروڈکٹس اور خدمات فراہم کرے گا۔

4G سپیکٹرم کی خریداری کے بعد یوفون اپنے نیٹ ورک کو مکمل طور پر جدید بنانے اور پاکستان بھر میں اپنی کوریج مزید بڑھانے کے لئے پرعزم ہے۔ صارفین کے لئے ڈیٹا کے استعمال میں قابل ذکر بہتری کے ساتھ نیٹ ورک کی اپ گریڈیشن اور ٹیکنالوجی میں جدت کے ذریعے فائدہ پہنچنا شروع ہو گیا ہے۔

پاکستان میں 4G سپیکٹرم کے حصول کے ساتھ ساتھ یوفون نے آزاد جموں و کشمیر/ گلگت بلتستان میں مزید اسپیکٹرم حاصل کیا تاکہ موجودہ خدمات میں وسعت لائی جاسکے۔ اس طرح آزاد جموں و کشمیر/ گلگت بلتستان سمیت پاکستان بھر کے صارفین کو معیاری ڈیٹا خدمات فراہم کرنے کے کمپنی کے عزم کی توثیق ہوتی ہے۔

یوبینک

پی ٹی سی ایل کے مائیکروفنانس اور برانچ لیس بینکنگ کے ذیلی ادارے یوبینک نے اپنی ٹریڈری سرمایہ کاری اور ایڈوانس پورٹ لیویوں بہتری لاتے ہوئے گزشتہ سال کے مقابلے میں 23 فیصد اضافے سے اپنی ترقی کا سفر جاری رکھا ہے۔ بینک نے اپنے ڈیپازٹ و کارپوریٹ فنانس کے شعبوں سے فائدہ اٹھا کر اپنی فنڈنگ بک بڑھا کر 70 ارب روپے کر لی ہے جو بینک کی سرمائے کی اعلیٰ حیثیت برقرار رکھنے کے عزم سے ہم آہنگ ہے۔ بینک کی جانب سے کیے گئے اہم اسٹریٹجک اقدامات میں کم لاگت والے مکانات، بین الاقوامی ترسیلات زر اور اسلامی بینکنگ کے شعبوں میں نئے منصوبے شامل ہیں۔ بینک ڈیجیٹل بینکنگ کے شعبے میں دستیاب مواقع سے زیادہ سے زیادہ فائدہ اٹھانے کے لیے ٹیکنالوجی میں سرمایہ کاری کرنے کا بھی ارادہ رکھتا ہے۔

کاروباری سماجی ذمہ داری

پی ٹی سی ایل رضا کار، پی ٹی سی ایل کے ملازمین کی رضا کارانہ فوس ہے جس نے سکولوں، یتیم خانوں اور خیراتی اداروں کے تعاون سے پاکستان بھر کے 17 مقامات پر ایک ہزار سے زائد بچوں کے لیے کھلی فضا میں متعدد بار پکنکس کا اہتمام کیا۔

پی ٹی سی ایل گروپ نے اب تک اپنے 98 فیصد ملازمین کی کرونا ویکسینیشن مکمل کر لی ہے، پاکستان میں کسی بھی کارپوریٹ کمپنی میں کی جانے والی یہ سب سے بڑی اسٹاف ویکسینیشن مہم ہے، جس کا مقصد نہ صرف اپنے ملازمین کی حفاظت بلکہ اپنے صارفین کی دیکھ بھال بھی ہے۔

پی ٹی سی ایل کی مینجمنٹ اور اسٹاف صارفین کو بہترین سروسز کی فراہمی کے لئے ہر لمحہ پرعزم ہیں۔ تاکہ صارفین کو مناسب قیمتوں میں زبردست سروسز حاصل ہو سکیں اور شیئر ہولڈرز کے منافع میں بہترین اضافے کا ذریعہ بن سکیں۔

منجانب بورڈ آف ڈائریکٹرز



حاتم محمد باطرف

صدر اور گروپ چیف ایگزیکٹو آفیسر



ڈاکٹر محمد سہیل راجپوت

چیرمین، بورڈ آف ڈائریکٹرز پی ٹی سی ایل

دہی، 18 اکتوبر 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital		51,000,000	51,000,000
Revenue reserves			
General reserve		27,497,072	27,497,072
Unappropriated profit		20,064,634	15,512,733
		47,561,706	43,009,805
		98,561,706	94,009,805
Liabilities			
Non-current liabilities			
Deferred income tax		4,774,478	5,609,546
Employees retirement benefits		26,600,567	24,541,399
Deferred government grants		8,379,374	7,279,353
Advances from customers		1,406,477	1,497,759
Lease liabilities		1,054,437	1,106,447
		42,215,333	40,034,504
Current liabilities			
Trade and other payables	6	95,057,599	88,457,418
Security deposits		588,007	584,598
Unpaid / unclaimed dividend		210,547	211,511
Current maturity of lease liabilities		197,454	302,466
		96,053,607	89,555,993
Total equity and liabilities		236,830,646	223,600,302

Contingencies and commitments 11

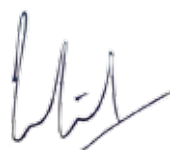
The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.



Chief Financial Officer

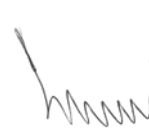


President & CEO



Chairman

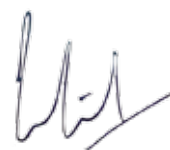
	Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
Assets			
Non-current assets			
Property, plant and equipment	7	118,902,743	114,665,696
Right of use assets		1,442,169	1,672,711
Intangible assets		1,623,103	1,458,067
		121,968,015	117,796,474
Long term investments		30,736,284	17,736,284
Long term loans and advances	8	9,514,056	10,748,127
Contract costs		559,521	575,190
		162,777,876	146,856,075
Current assets			
Stores and spares		4,990,794	3,600,982
Contract costs		1,678,564	1,725,568
Trade debts and contract assets	9	27,344,678	23,150,485
Loans and advances		3,997,225	1,430,671
Income tax recoverable		17,044,499	18,373,462
Receivable from GoP		2,164,072	2,164,072
Prepayments and other receivables		15,017,578	14,322,386
Short term investments		-	6,212,234
Cash and bank balances	10	1,815,360	5,764,367
		74,052,770	76,744,227
Total assets		236,830,646	223,600,302



Chief Financial Officer



President & CEO



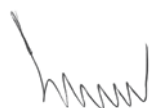
Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	Three months ended		Nine months ended	
		September 30, 2021 Rs '000	September 30, 2020 Rs '000	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Revenue	12	19,099,461	18,041,626	57,286,671	53,374,978
Cost of services		(15,078,811)	(14,135,387)	(44,573,315)	(42,149,339)
Gross profit		4,020,650	3,906,239	12,713,356	11,225,639
Administrative and general expenses		(1,857,029)	(1,680,675)	(5,384,915)	(4,839,772)
Selling and marketing expenses		(943,103)	(742,994)	(2,550,768)	(2,320,432)
Impairment loss on trade debts and contract assets		(361,263)	(375,361)	(1,113,944)	(1,526,620)
		(3,161,395)	(2,799,030)	(9,049,627)	(8,686,824)
Operating profit		859,255	1,107,209	3,663,729	2,538,815
Other income	13	1,920,887	974,983	4,547,488	3,596,002
Finance costs		(68,384)	(102,732)	(231,928)	(238,218)
Profit before tax		2,711,758	1,979,460	7,979,289	5,896,599
Provision for income tax		(786,410)	(613,628)	(2,313,994)	(1,827,946)
Profit for the period		1,925,348	1,365,832	5,665,295	4,068,653
Earnings per share					
- basic and diluted (Rupees)		0.38	0.27	1.11	0.80

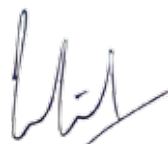
The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.



Chief Financial Officer



President & CEO



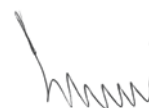
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Three months ended		Nine months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Profit for the period	3,937,968	1,365,832	5,665,295	4,068,653
Other comprehensive income for the period				
Items that will not be reclassified to statement of profit or loss:				
Remeasurement loss on employees retirement benefits	-	-	(1,568,160)	-
Tax effect	-	-	454,766	-
	-	-	(1,113,394)	-
Total comprehensive income for the period	3,937,968	1,365,832	4,551,901	4,068,653

The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.



Chief Financial Officer



President & CEO



Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		Nine months ended	
		September 30, 2021 Rs '000	September 30, 2020 Rs '000
	Note		
Cash flows from operating activities			
Cash generated from operations	14	20,518,447	22,545,186
Employees retirement benefits paid		(1,117,398)	(834,025)
Payment to Pakistan Telecommunication Employee Trust (PTET)		-	(2,000,000)
Advances from customers		15,060	126,273
Income tax paid		(1,365,332)	(1,151,907)
Net cash inflow from operating activities		18,050,777	18,685,527
Cash flows from investing activities			
Capital expenditure		(15,689,318)	(6,899,830)
Acquisition of intangible assets		(531,424)	-
Proceeds from disposal of property, plant and equipment		822,332	1,044,960
Addition to contract costs		(2,670,373)	(2,436,069)
Long term loans and advances		(50,925)	(111,123)
Long term investment in PTML		(13,000,000)	(4,500,000)
Return on long term loan to subsidiaries		433,648	710,607
Return on short term investments		568,856	237,478
Government grants received		2,232,752	596,284
Net cash outflow from investing activities		(27,884,452)	(11,357,693)
Cash flows from financing activities			
Dividend paid		(964)	(2,548,944)
Lease liabilities paid		(326,602)	(464,509)
Net cash outflow from financing activities		(327,566)	(3,013,453)
Net increase in cash and cash equivalents		(10,161,241)	4,314,381
Cash and cash equivalents at the beginning of the period		11,976,601	4,174,430
Cash and cash equivalents at the end of the period	15	1,815,360	8,488,811

The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.

Chief Financial Officer

President & CEO

Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Revenue reserves				Total
	Class 'A'	Class 'B'	Insurance reserve	General reserve	Unappropriated profit
	(Rupees in '000)				
Balance as at December 31, 2019	37,740,000	13,260,000	3,172,624	27,497,072	87,751,379
Total comprehensive income for the period					
Profit for the nine months period ended September 30, 2020					4,068,653
Other comprehensive income for the period					-
Transfer of insurance reserve			(3,172,624)		4,068,653
Distribution to owners of the Company					
Final dividend for the year ended December 31, 2019 - Rs 0.50 per share					(2,550,000)
Balance as at September 30, 2020	37,740,000	13,260,000	-	27,497,072	89,270,032
Total comprehensive income for the period					
Profit for the three months period ended December 31, 2020					1,961,712
Other comprehensive income for the period					2,778,061
Balance as at December 31, 2020	37,740,000	13,260,000	-	27,497,072	94,009,805
Total comprehensive income for the period					
Profit for the nine months period ended September 30, 2021					5,665,295
Other comprehensive loss for the period					(1,113,394)
Balance as at September 30, 2021	37,740,000	13,260,000	-	27,497,072	98,561,706

The annexed notes 1 to 19 are an integral part of these condensed interim financial statements.

Chief Financial Officer

President & CEO

Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Pakistan Telecommunication Company Limited ("PTCL", "the Company") was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Company, which is listed on the Pakistan Stock Exchange Limited (PSX), was established to undertake the telecommunication business formerly carried on by the Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Company on January 01, 1996 under the Pakistan Telecommunication (Re-organization) Act, 1996, on which date, the Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees Trust (PTET). The registered office of the Company is situated at PTCL Headquarters, G-8/4, Islamabad.

The Company provides telecommunication services in Pakistan. It owns and operates telecommunication facilities and provides domestic and international telephone services and other communication facilities throughout Pakistan. The Company has also been licensed to provide such services in territories of Azad Jammu and Kashmir and Gilgit-Baltistan.

1.1 Impact of COVID-19 on the financial statements

During the last year, the COVID-19 pandemic emerged which impacted the economy in general. Due to COVID-19 outbreak, there is a negative impact of approximately Rs. 83,031 thousand on the revenues of the Company during nine months period ended September 30, 2021. Further there has been no material impact on the carrying amount of assets and liabilities of the Company.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

These condensed interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgments made by the management in the preparation of this condensed interim financial statements are the same as those used in the preparation of audited financial statements of the Company for the year ended December 31, 2020.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
6. TRADE AND OTHER PAYABLES			
Trade creditors		12,546,305	10,958,150
Accrued and other liabilities	6.1	31,668,511	30,211,340
Technical services assistance fee	6.2	29,410,315	25,827,068
Advances from customers / contract liabilities		6,747,636	6,453,465
Retention money / payable to contractors and suppliers		6,415,529	6,116,052
Payable to subsidiaries on account of group taxation		6,381,621	6,381,621
Sales tax payable		1,419,458	1,844,379
Income tax collected / deducted at source		468,224	665,343
		95,057,599	88,457,418

6.1 Accrued and other liabilities

Accrued liability for operational expenses		7,382,800	6,453,427
Amount withheld on account of provincial levies(Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		10,013,357	9,579,972
Accrued wages		1,594,569	1,455,891
Others		566,982	611,247
		31,668,511	30,211,340

6.2 Liability has not been settled since State Bank of Pakistan has not yet acknowledged the extension of Technical Service Assistance (TSA) Agreement.

	Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		104,441,449	103,724,068
Capital work-in-progress	7.3	14,461,294	10,941,628
		118,902,743	114,665,696

	Note	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
7.1 Operating fixed assets			
Opening net book value		103,724,068	103,626,162
Additions during nine months period	7.2	12,169,651	10,984,171
		115,893,719	114,610,333
Disposals during the period - at net book value		(45,996)	(3,492)
Depreciation charge for the period		(11,406,274)	(11,307,810)
		(11,452,270)	(11,311,302)
Closing net book value		104,441,449	103,299,031

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
7.2 Detail of additions during the period:		
Leasehold land	-	193
Buildings on freehold land	462,971	95,047
Buildings on leasehold land	142,159	28,348
Lines and wires	3,977,790	5,782,712
Apparatus, plant and equipment	6,435,330	4,647,913
Office equipment	506,404	133,351
Computer equipment	142,698	26,575
Furniture and fittings	46,824	2,873
Vehicles	423,601	59,362
Submarine cables	31,874	207,797
	12,169,651	10,984,171

7.3 Additions to CWIP during the nine months period ended September 30, 2021 were Rs 16,149,188 thousand (September 30, 2020: Rs 6,814,511 thousand).

	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
8. LONG TERM LOANS AND ADVANCES		
Loans to PTML - unsecured	6,249,999	7,500,000
Loans to Ubank - unsecured	2,200,000	2,200,000
Loans to employees - secured	925,071	953,463
Others	138,986	94,664
	9,514,056	10,748,127
9. TRADE DEBTS AND CONTRACT ASSETS		
Trade debts	28,801,393	23,747,027
Contract assets	7,289,467	7,034,639
	36,090,860	30,781,666
Accumulated impairment loss on trade debts and contract assets	(8,746,182)	(7,631,181)
	27,344,678	23,150,485

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
10 CASH AND BANK BALANCES			
Cash in hand		154,545	228,687
Balances with banks:	10.1		
Deposit accounts local currency		1,066,936	1,420,984
Current accounts			
Local currency		41,882	1,544,867
Foreign currency		551,997	2,569,829
		593,879	4,114,696
		1,815,360	5,764,367

10.1 Bank balance includes Rs 94,804 thousands (December 31, 2020: Rs 2,026 thousand) carrying profit at the rate of 2.98% (December 31, 2020: 2.84%) per annum from Shariah arrangements.

11. CONTINGENCIES AND COMMITMENTS

There has been no material change in contingencies as disclosed in the last audited financial statements of the Company for the year ended December 31, 2020, except in note 11.1 and 11.2 in the following:

11.1 For the tax years 2007, 2009, 2010, 2011 to 2018 and 2019,2020, Taxation Officer disallowed certain expenses and tax credits. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 49,108,187 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR. Reference in respect of 2007 is subjudice before the Honorable Islamabad High Court. Stay has been obtained in all cases from different fora.

11.2 Against the decision of Sindh Revenue Board (SRB) imposing sales tax on services of Rs 4,417,000 thousand and Khyber Pakhtunkhwa Revenue Authority (KPRA) Rs. 2,374,000 thousands on revenues from international incoming calls from Nov, 2012 to Dec, 2013 & July,2013 to Dec, 2019 respectively, the appeals are pending adjudication before the Commissioner Appeals. A stay order has been obtained from Honorable Sindh High Court & Honorable Peshawar High Court against any coercive action by SRB and KPRA.

11.3 "In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on June 12, 2015 the Apex Court decided the case in the interest of pensioners. On July 13, 2015, Review Petition was filed in the Honourable Supreme Court of Pakistan against the Judgment of June 12, 2015.

The Honourable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

have filed the applications under section 12(2) CPC before respective High Courts. However, PTET has implemented the Apex court decision dated 12 June 2015 to the extent of 343 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015 have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Under the circumstances, management of the Company, on the basis of legal advice, believes that the Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in the Company's financial statements.

	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
11.4 Bank guarantee and bid bonds issued in favour of :		
Universal Service Fund (USF) against government grants	7,445,239	5,292,082
Others	2,903,380	2,301,612
	10,348,619	7,593,694

Others includes bank guarantee given on behalf of DVCOM Data (Private) Limited to PTA amounting to Rs 675,000 thousand (December 31, 2020: Rs. 675,000 thousand).

	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
11.5 Commitments		
Contracts for capital expenditure	9,533,518	3,056,938
Letter of comforts in favour of PTML	3,500,000	3,500,000
Corporate guarantee in favour of PTML	25,000,000	-
	38,033,518	6,556,938

12. REVENUE

The Company principally obtains revenue from providing telecommunication services such as Broadband, IPTV, Voice, data, wireless services, interconnect, corporate and international services.

For bundled packages, the Company accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand alone selling prices.

The Company generates revenue from the following performance obligations of its telecommunication services.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Nine months ended	
	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
Revenue segments		
Broadband and IPTV	23,338,265	20,699,885
Voice services	7,546,275	8,196,394
Wireless data	1,908,944	1,707,562
Revenue from retail customers	32,793,484	30,603,841
Corporate and wholesale	18,709,337	16,832,215
International	5,783,850	5,938,922
Total revenue	57,286,671	53,374,978

12.1 Revenue is stated net of trade discount amounting to Rs 53,386 thousand (September 30, 2020 Rs 52,988 thousand) and Sales and other taxes directly attributable to sales amounting to Rs 8,699,653 thousand (September 30, 2020: Rs 7,914,659 thousand).

		Nine months ended	
	Note	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
13. OTHER INCOME			
Income from financial assets	13.1	2,072,065	1,506,155
Income from non-financial assets		2,475,423	2,089,847
		4,547,488	3,596,002

13.1 Income from financial assets include Rs 301 thousand (September 30, 2020: Rs 246 thousand) earned from Shariah arrangements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Nine months ended	
	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
14. CASH GENERATED FROM OPERATIONS		
Profit before tax	7,979,289	5,896,599
Adjustments for non-cash charges and other items:		
Depreciation of property, plant and equipment	11,406,274	11,307,810
Amortization of intangible assets	366,388	287,786
Depreciation of right of use assets	295,938	259,947
Amortization of contract costs	2,733,046	2,295,838
Provision for obsolete stores and spares	(33,517)	(2,573)
Impairment loss on trade debts and contract assets	1,113,944	1,526,620
Provision for employees retirement benefits	3,099,466	3,016,861
Gain on disposal of property, plant and equipment	(776,336)	(1,041,468)
Return on bank deposits	(577,067)	(254,927)
Imputed interest on long term loans	10,620	15,056
Imputed interest on lease liabilities	104,184	107,326
Return on long term loan to subsidiaries	(588,100)	(986,687)
Unearned revenue realised	(106,342)	(78,925)
Gain on investment measured at fair value through profit or loss	-	(1,026)
Release of deferred government grants	(1,132,731)	(630,863)
	23,895,056	21,717,374
Effect on cash flows due to working capital changes:		
Decrease / (increase) in current assets:		
Stores and spares	(1,356,294)	336,664
Trade debts and contract assets	(5,308,136)	(5,478,740)
Loans and advances	(1,292,178)	(914,669)
Prepayments and other receivables	(2,023,589)	2,569,073
	(9,980,197)	(3,487,672)
Increase in current liabilities:		
Trade and other payables	6,600,179	4,305,977
Security deposits	3,409	9,507
	20,518,447	22,545,186
15. CASH AND CASH EQUIVALENTS		
Short term investments	-	3,452,416
Cash and bank balances	1,815,360	5,036,395
	1,815,360	8,488,811

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Nine months ended	
	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
Relationship with the Company	Nature of transaction	
i. Shareholders	Technical services assistance fee - note 16.1	2,153,282
ii. Subsidiaries	Sale of goods and services	3,807,556
	Purchase of goods and services	2,115,008
	Mark up on long term loans	588,853
	Long term investment in subsidiaries	13,000,000
iii. Associated undertakings	Sale of goods and services	2,724,371
	Purchase of goods and services	382,251
iv. Employees contribution plan	PTCL Employees GPF Trust - net	33,109
v. Employees retirement benefit plan	Contribution to the plan- PTET	-
	Contribution to the plan- Gratuity	49,614
vi. Other related parties	Charge under license obligations	1,271,771
vii. Directors, Chief Executive and Key management personnel	Fee and remuneration including benefits and perquisites	484,569
		568,993
	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
Period / year-end balances		
Receivables from related parties		
Long term loans to subsidiaries	9,700,000	9,700,000
Trade debts		
- Subsidiaries	912,209	367,118
- Associated undertakings	13,301,879	10,201,966
Other receivables		
- Subsidiaries	9,028,912	7,671,724
- Associated undertakings	71,305	71,305
- PTCL Employees GPF Trust	-	12,208
- Pakistan Telecommunication Employees Trust (PTET)	1,065	1,262
- Long term loans to key management personnel	64,139	80,543
Bank deposit with subsidiary	296	378,145
Pakistan Telecommunication Employees Trust (PTET)	766,491	2,257,551
Payables to related parties		
Trade creditors		
- Subsidiaries	1,333,373	1,174,793
- Associated undertakings	1,383,297	1,260,568
- The Government of Pakistan related entities	1,089,417	1,282,461
Payable to subsidiaries on account of group taxation	6,381,621	6,381,621
PTCL Employees GPF Trust	20,901	-
Security deposits from subsidiary	3,623	3,623
Retention money payable to associated undertakings	3,055	3,055
Technical services assistance fee payable to Etisalat	29,410,315	25,827,068
Pakistan Telecommunication Company Limited		
Employees Gratuity Fund	587,130	240,788

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

16.1 This represents the Company's share of fee payable to Emirates Telecommunication Corporation (Etisalat) under an agreement for technical services at the rate of 3.5% of Pakistan Telecommunication Group's consolidated revenue.

17. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
As at September 30, 2021					
Trade debts and contract assets	18,245,069	(4,275,363)	13,969,706	13,374,972	27,344,678
Trade creditors	(4,735,815)	4,275,363	(460,452)	(12,085,853)	(12,546,305)
As at December 31, 2020					
Trade debts and contract assets	16,888,561	(5,963,436)	10,925,125	12,225,360	23,150,485
Trade creditors	(6,521,472)	5,963,436	(558,036)	(10,400,114)	(10,958,150)

18. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2020. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2020.

The carrying amount of all financial assets and financial liabilities are estimated to approximate their fair values.

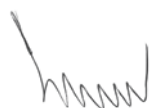
19. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements for the nine months period ended September 30, 2021 were authorized for issue by the Board of Directors of the Company on October 18, 2021.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

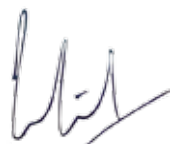
FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2021 (UN-AUDITED)



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
Equity and liabilities		
Equity		
Share capital and reserves		
Share capital	51,000,000	51,000,000
Revenue reserves		
General reserve	27,497,072	27,497,072
Unappropriated profit	10,552,492	7,984,136
	38,049,564	35,481,208
Statutory and other reserves	511,553	511,553
Unrealized (loss) / gain on investments measured at fair value through OCI	(91,255)	629
	89,469,862	86,993,390
Liabilities		
Non-current liabilities		
Long term loans from banks	46,897,959	28,774,903
Subordinated debt	599,040	599,160
Deposits from banking customers	1,671,753	3,347,788
Lease liabilities	15,032,721	16,974,431
Deferred income tax	3,870,606	6,093,589
Employees retirement benefits	26,671,339	24,581,798
Deferred government grants	20,061,692	18,216,421
Advances from customers	1,410,576	1,499,169
License fee payable	19,955,344	-
Long term vendor liability	26,919,069	31,069,424
	163,090,099	131,156,683
Current liabilities		
Trade and other payables	100,299,204	94,177,147
Deposits from banking customers	48,909,578	42,285,528
Interest accrued	2,622,124	1,371,131
Short term running finance	3,488,791	6,680,285
Current portion of:		
Long term loans from banks	16,798,532	14,990,172
Lease liabilities	3,045,982	3,041,986
Long term vendor liability	7,635,022	9,157,498
License fee payable	4,820,377	-
Security deposits	1,322,667	1,302,184
Unpaid / unclaimed dividend	210,547	211,511
	189,152,824	173,217,442
Total equity and liabilities	441,712,785	391,367,515

Contingencies and commitments

13

The annexed notes 1 to 24 are an integral part of these condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman

Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
Assets		
Non-current assets		
Property, plant and equipment	192,798,701	193,715,646
Right of use assets	17,005,368	19,419,596
Intangible assets	72,287,717	25,582,008
Long term investments	51,427	51,427
Long term loans and advances	1,064,056	1,048,127
Long term loans to banking customers	4,769,465	1,433,652
Contract costs	667,249	703,496
	288,643,983	241,953,952
Current assets		
Stock in trade, stores and spares	5,191,587	3,832,884
Trade debts and contract assets	29,399,966	25,436,953
Loans to banking customers	28,079,156	28,572,647
Loans and advances	2,909,909	1,553,937
Contract costs	2,821,175	2,626,170
Income tax recoverable	26,982,251	24,837,418
Receivable from the Government of Pakistan	2,164,072	2,164,072
Deposits, prepayments and other receivables	17,037,181	17,160,181
Short term investments	30,918,665	30,736,733
Cash and bank balances	7,564,840	12,492,568
	153,068,802	149,413,563
Total assets	441,712,785	391,367,515

Chief Financial Officer

President & CEO

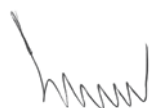
Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	Three months ended		Nine months ended	
		September 30, 2021 Rs '000	September 30, 2020 Rs '000	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Revenue	14	34,522,494	32,743,822	102,368,621	95,648,290
Cost of services		(25,930,596)	(24,071,567)	(75,816,810)	(71,490,678)
Gross profit		8,591,898	8,672,255	26,551,811	24,157,612
Administrative and general expenses		(4,515,511)	(4,315,021)	(13,396,038)	(12,528,584)
Selling and marketing expenses		(1,952,553)	(1,678,995)	(5,834,343)	(5,186,712)
Impairment loss on trade debts and contract assets		(1,002,942)	(548,049)	(2,212,498)	(2,543,108)
		(7,471,006)	(6,542,065)	(21,442,879)	(20,258,404)
Operating profit		1,120,892	2,130,190	5,108,932	3,899,208
Other income	15	3,344,417	1,991,673	7,900,416	5,662,755
Finance costs		(3,489,386)	(1,947,847)	(8,012,147)	(7,259,703)
Profit before tax		975,923	2,174,016	4,997,201	2,302,260
Provision for income tax		(229,100)	(645,358)	(1,315,451)	(740,277)
Profit for the period		746,823	1,528,658	3,681,750	1,561,983

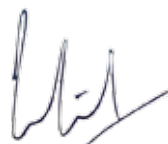
The annexed notes 1 to 24 are an integral part of these condensed consolidated interim financial statements.



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Three months ended		Nine months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Profit for the period	746,823	1,528,658	3,681,750	1,561,983
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss:				
Remeasurement loss on employees retirement benefits	-	-	(1,568,160)	-
Tax effect	-	-	454,766	-
	-	-	(1,113,394)	-
Items that may be subsequently reclassified to profit or loss:				
(Loss) / Gain on revaluation of assets	(300,519)	(4,621)	(242,447)	106,019
Gain / (loss) on revaluation of assets transferred to profit or loss	192,523	(404)	113,033	(66,217)
Tax effect	31,319	1,341	37,530	(30,745)
	(76,677)	(3,684)	(91,884)	9,057
Other comprehensive (loss) / income for the period - net of tax	(76,677)	(3,684)	(1,205,278)	9,057
Total comprehensive income for the period	670,146	1,524,974	2,476,472	1,571,040

The annexed notes 1 to 24 are an integral part of these condensed consolidated interim financial statements.



Chief Financial Officer



President & CEO



Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

Note	Nine months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Cash flows from operating activities		
Cash generated from operations	16 35,833,035	26,602,121
Employees retirement benefits paid	(1,339,497)	(938,558)
Payment made to Pakistan Telecommunication Employees Trust (PTET)	-	(2,000,000)
Customers deposits	4,948,015	7,642,608
Income tax paid	(5,190,971)	(2,859,202)
Net cash inflow from operating activities	34,250,582	28,446,969
Cash flows from investing activities		
Capital expenditure	(44,434,313)	(18,022,507)
Proceeds from disposal of property, plant and equipment	896,462	1,104,097
Additions to contract costs	(4,057,378)	(3,337,085)
Short term investments	(6,394,166)	-
Long term loans and advances	(26,549)	(34,190)
Government grants received	4,081,345	1,079,631
Return on long term loans and short term investments	2,697,472	1,738,107
Net cash outflow from investing activities	(47,237,127)	(17,471,947)
Cash flows from financing activities		
Loan from banks	19,931,416	5,001,994
Subordinated debt	(120)	(120)
Vendor liability	(5,672,831)	225,505
Finance cost paid	(6,533,327)	(4,949,317)
Lease liabilities	(2,686,097)	(3,488,200)
Dividend paid	(964)	(2,548,944)
Net cash inflow / (outflow) from financing activities	5,038,077	(5,759,082)
Net increase in cash and cash equivalents	(7,948,468)	5,215,940
Cash and cash equivalents at the beginning of the period	12,024,517	12,188,911
Cash and cash equivalents at the end of the period	17 4,076,049	17,404,851

The annexed notes 1 to 24 are an integral part of these condensed consolidated interim financial statements.

Chief Financial Officer

President & CEO

Chairman

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Revenue reserves		Statutory and other reserves	Unrealized (loss) / gain on investments measured at fair value through OCI	Total
	Class "A"	Class "B"	Insurance reserve	General reserve			
(Rupees in '000)							
Balance as at December 31, 2019	37,740,000	13,260,000	3,172,624	27,497,072	1,492,423	285,013	83,438,353
Total comprehensive income for the period							
Profit for the nine months period ended September 30, 2020		-	-	-	1,561,983	-	1,561,983
Other comprehensive income	-	-	-	-	-	-	9,057
Transfer of insurance reserve	-	-	-	-	1,561,983	-	1,571,040
Distribution to owners of the Holding Company	-	-	(3,172,624)	-	3,172,624	-	-
Interim dividend for the year ended December 31, 2019 – Re 0.50 per share	-	-	-	-	(2,550,000)	-	(2,550,000)
Balance as at September 30, 2020	37,740,000	13,260,000	-	27,497,072	3,677,030	285,013	82,459,393
Profit for the three months period ended December 31, 2020							
Other comprehensive income	-	-	-	-	1,710,683	-	1,710,683
	-	-	-	-	2,822,963	-	2,823,314
Transfer to statutory and other reserves	-	-	-	-	4,533,646	-	4,533,997
	-	-	-	-	(226,540)	226,540	-
Balance as at December 31, 2020	37,740,000	13,260,000	-	27,497,072	7,984,136	511,553	86,993,390
Total comprehensive income for the period							
Profit for the nine months period ended September 30, 2021	-	-	-	-	3,681,750	-	3,681,750
Other comprehensive income	-	-	-	-	(1,113,394)	-	(1,205,278)
	-	-	-	-	2,568,356	-	2,476,472
Balance as at September 30, 2021	37,740,000	13,260,000	-	27,497,072	10,552,492	511,553	89,469,862

Chief Financial Officer

President & CEO

Chairman

The annexed notes 1 to 24 are an integral part of these condensed consolidated interim financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Constitution and ownership

The condensed consolidated interim financial statements of the Pakistan Telecommunication Company Limited and its subsidiaries ("the Group") comprise of the financial information of:

Pakistan Telecommunication Company Limited (PTCL)

Pakistan Telecommunication Company Limited (the Holding Company) was incorporated in Pakistan on December 31, 1995 and commenced business on January 01, 1996. The Holding Company, which is listed on the Pakistan Stock Exchange Limited (PSX) (formerly Karachi, Lahore and Islamabad Stock Exchanges), was established to undertake the telecommunication business formerly carried on by Pakistan Telecommunication Corporation (PTC). PTC's business was transferred to the Holding Company on January 01, 1996 under the Pakistan Telecommunication (Re-organization) Act, 1996, on which date, the Holding Company took over all the properties, rights, assets, obligations and liabilities of PTC, except those transferred to the National Telecommunication Corporation (NTC), the Frequency Allocation Board (FAB), the Pakistan Telecommunication Authority (PTA) and the Pakistan Telecommunication Employees Trust (PTET). The registered office of the Holding Company is situated at PTCL Headquarters, G-8/4, Islamabad.

Pak Telecom Mobile Limited (PTML)

PTML was incorporated in Pakistan on July 18, 1998, as a public limited company to provide cellular mobile telephony services in Pakistan. PTML commenced its commercial operations on January 29, 2001, under the brand name of Ufone. It is a wholly owned subsidiary of PTCL. The registered office of PTML is situated at Ufone Tower, Plot No. 55-C, Jinnah Avenue, Blue Area, Islamabad.

U Microfinance Bank Limited (U Bank)

The Holding Company acquired 100% ownership of U Bank on August 30, 2012 to offer services of digital commerce and branchless banking. U Bank was incorporated on October 29, 2003 as a public limited company. The registered office of U Bank is situated at Jinnah Super Market F-7 Markaz, Islamabad.

DVCOM Data (Private) Limited (DVCOM Data)

The Holding Company acquired 100% ownership of DVCOM Data effective from April 01, 2015. The company has a Wireless Local Loop (WLL) License of 1900 MHz spectrum in nine telecom regions of Pakistan. The registered office of the company is located at PTCL Head Quarters South, Hatim Alvi Road, Clifton Karachi.

Smart Sky (Private) Limited (Smart Sky)

Smart Sky was incorporated in Pakistan on October 12, 2015 as a private limited company. Smart Sky is a wholly owned subsidiary of PTCL. The registered office of Smart Sky is located at PTCL Headquarters, G-8/4, Islamabad.

1.2 Activities of the Group

The Group principally provides telecommunication and broadband internet services in Pakistan. PTCL owns and operates telecommunication facilities and provides domestic and international telephone services throughout Pakistan. PTCL has also been licensed to provide such services to territories in Azad Jammu and Kashmir and Gilgit-Baltistan. PTML provides cellular mobile telephony services throughout Pakistan and Azad Jammu and Kashmir. Principal business of U Bank, incorporated under Microfinance Institutions Ordinance, 2001, is to provide nationwide microfinance and branchless banking services.

1.2 Impact of COVID-19 On The Financial Statements

During the last year, the COVID-19 pandemic emerged which impacted the economy in general. Due to COVID-19 outbreak, there is a negative impact of approximately Rs 435,031 thousand on the revenues of the Group during nine months period ended September 30, 2021. Further there has been no material impact on the carrying amount of assets and liabilities of the Group.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The applicable financial reporting framework for consolidated subsidiary also includes the following:

- Microfinance Institutions Ordinance, 2001 (the MFI Ordinance); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP);

Where the requirements of the Companies Act, 2017, the MFI Ordinance and the directives issued by the SECP and SBP differ with the requirements of IAS 34, the requirements of the Companies Act, 2017, the Microfinance Ordinance, 2001, or the requirements of the said directives shall prevail.

3. BASIS OF PREPARATION

These condensed consolidated interim financial statements do not include all of the information required in the annual financial statements prepared in accordance with the accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the group's latest annual consolidated financial statements as at and for the year ended December 31, 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed consolidated interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and judgements made by the management in the preparation of this condensed consolidated interim financial information are the same as those used in the preparation of annual audited consolidated financial statements of the Group for the year ended December 31, 2020.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the consolidated annual audited financial statements for the year ended December 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	September 30, 2021 (Un-Audited) Rs '000	
6 LICENSE FEE PAYABLE		
License fee payable	25,055,597	
Imputed deferred interest	(279,876)	
Present value of license fee payable	24,775,721	
Current portion thereof	(4,820,377)	
	19,955,344	

This includes acquisition of 4G License throughout Pakistan excluding Azad Jammu and Kashmir (AJK) and Gilgit Baltistan (GB), at a fee USD 279 million. 50% of the license fee has been paid at the time of acquisition of license and the remaining 50% of the amount is to be paid in 5 equal instalments along with interest at 3.248% (LIBOR+3%) per annum, on September 15th each year, in US Dollar or equivalent Pak Rupees.

	Note	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
7. TRADE AND OTHER PAYABLES			
Trade creditors		13,527,647	12,988,191
Accrued and other liabilities	7.1	38,195,322	36,341,187
Technical services assistance fee		29,410,315	25,827,068
Advances from customers / contract liability		10,155,217	10,127,857
Retention money / payable to contractors and suppliers		6,415,529	6,116,052
Income tax collected from subscribers / deducted at source		594,013	983,567
Sales tax payable		1,976,006	1,793,225
Payable to provident fund		25,155	-
		100,299,204	94,177,147

7.1 Accrued and other liabilities			
Accrued liability for operational expenses		11,501,719	9,967,829
Amount withheld on account of provincial levies (Sub-judice) for ICH operations		12,110,803	12,110,803
Accrual for Government / regulatory expenses		11,522,442	11,321,524
Accrued wages		1,943,868	1,818,469
Others		1,116,490	1,122,562
		38,195,322	36,341,187

8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	172,537,127	173,398,683
Capital work-in-progress	8.3	20,261,574	20,316,963
		192,798,701	193,715,646

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
8.1 Operating fixed assets			
Opening net book value		173,398,683	168,066,793
Additions during the period	8.2	19,536,769	21,638,357
		192,935,452	189,705,150
Disposals during the period - at net book value		(75,789)	(58,196)
Depreciation for the period		(20,322,536)	(20,140,603)
		(20,398,325)	(20,198,799)
Closing net book value		172,537,127	169,506,351

8.2 Detail of additions during the period:			
Leasehold land		-	193
Buildings on freehold land		462,971	95,047
Buildings on leasehold land		142,159	28,348
Lines and wires		3,977,790	5,782,712
Apparatus, plant and equipment		11,702,359	14,968,809
Office equipment		592,612	324,702
Computer equipment		2,140,748	157,470
Furniture and fittings		62,655	13,917
Vehicles		423,601	59,362
Submarine cables		31,874	207,797
		19,536,769	21,638,357

8.3 Additions to CWIP during the nine months period ended September 30, 2021 were Rs 69,156,061 thousand (September 30, 2020: Rs 17,830,742 thousand).

	Note	September 30, 2021 Rs '000 (Un-Audited)	September 30, 2020 Rs '000 (Un-Audited)
9. INTANGIBLE ASSETS			
Opening net book value		25,582,008	28,099,965
Additions during the period	9.1	49,728,652	550,541
		75,310,660	28,650,506
Amortization for the period		(3,022,943)	(2,648,473)
Closing net book value		72,287,717	26,002,033

9.1 Detail of additions during the period:			
Telecom License - PTCL		472,219	-
License AJK - PTML		1,841,565	-
License 4G - PTML		47,156,557	-
Software		258,311	550,541
		49,728,652	550,541

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
10. TRADE DEBTS AND CONTRACT ASSETS			
Trade debts		31,227,463	26,365,889
Contract assets		7,523,608	7,261,072
		38,751,071	33,626,961
Allowance for expected credit loss		(9,351,105)	(8,190,008)
		29,399,966	25,436,953
11. SHORT TERM INVESTMENTS			
Amortized cost			
Market treasury bills and others		-	6,212,234
Term deposit receipts - Maturity up to 6 months		6,000,000	6,120,000
Repurchase agreement Lending (Reverse Repo)			
- Maturity up to 6 months		1,191,147	450,000
Fair value through other comprehensive income			
Units of mutual fund		7,903,387	-
Market treasury bills - Maturity up to 6 months		9,856,849	10,353,348
Pakistan Investment Bonds (PIBs) - Maturity up to 6 months		5,967,282	7,601,151
		30,918,665	30,736,733
12 CASH AND BANK BALANCES			
Cash in hand		1,197,884	1,234,771
Balances with banks:	12.1		
Local currency			
Current account maintained with SBP	12.2	2,602,042	2,238,550
Current accounts		54,480	1,557,346
Saving accounts		2,534,057	4,136,574
		5,190,579	7,932,470
Foreign currency			
Current accounts		551,997	2,569,829
Saving accounts		624,380	755,498
		1,176,377	3,325,327
		7,564,840	12,492,568

12.1 Bank balance includes Rs 94,804 thousands (December 31, 2020: Rs 2,026 thousand) carrying profit at the rate of 2.98% (December 31, 2020: 2.84%) per annum from Shariah arrangements.

12.2 This includes balance maintained with SBP to comply with the requirement of Prudential Regulations for microfinance banks to maintain minimum cash reserve not less than 5% (December 31, 2020: 5%) of U Bank's time and demand deposits with tenure of less than 1 year. This also includes Rs 102,719 thousand (December 31, 2020: Rs 102,719 thousand) maintained with SBP under Depositors' Protection Fund.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

13 CONTINGENCIES AND COMMITMENTS

There has been no material changes in contingencies as disclosed in the last audited consolidated financial statements for the year ended December 31, 2020 except as disclosed in note 13.1 and 13.2.

13.1 For the tax years 2007, 2009, 2010 and 2011 to 2018 and 2019, 2020, Taxation Officer disallowed certain expenses and tax credits of the Holding Company. The impugned orders were challenged at the relevant appellate forums which allowed partial relief thereof. After taking into account the orders of CIR (Appeals), ATIR as well as rectification orders tax impact of the disallowances is Rs 49,108,187 thousand. Appeals on the remaining outstanding items are pending adjudication before ATIR. Reference in respect of 2007 is subjudice before Honorable Islamabad High Court. Stay has been obtained in all cases from different fora.

13.2 Against the decision of Sindh Revenue Board (SRB) imposing sales tax on services of Rs 4,417,000 thousand and Khyber Pakhtunkhwa Revenue Authority (KPRA) Rs 2,374,000 thousands on revenues from international incoming calls from Nov, 2012 to Dec, 2013 & July, 2013 to Dec, 2019 respectively, the appeals are pending adjudication before the Commissioner Appeals. A stay order has been obtained from Honorable Sindh High Court & Honorable Peshawar High Court against any coercive action by SRB and KPRA.

13.3 In 2010, Pakistan Telecommunication Employees Trust ("PTET") board approved the pension increase which was less than the increase notified by the Government of Pakistan ("GoP"). Thereafter, pensioners filed several Writ Petitions. After a series of hearings, on June 12, 2015 the Apex Court decided the case in the interest of pensioners. On July 13, 2015, Review Petition was filed in the Honorable Supreme Court of Pakistan against the Judgment of June 12, 2015.

The Honorable Supreme Court of Pakistan (Apex Court) disposed the Review Petitions filed by the Holding Company, the Pakistan Telecommunication Employees Trust (PTET) and the Federal Government (collectively, the Review Petitioners) vide the order dated May 17, 2017. Through the said order, the Apex Court directed the Review Petitioners to seek remedy under section 12(2) CPC (Civil Procedure Code) which shall be decided by the concerned Court in accordance with the law, and to pursue all grounds of law and fact in other cases pending before High Courts. The Review Petitioners have filed the applications under section 12(2) CPC before respective High Courts. However, PTET has implemented the Apex court decision dated 12 June 2015 to the extent of 343 pensioners who were the petitioners in the main case. Some of the interveners (pensioners) seeking the same relief as allowed vide order dated June 12, 2015 have been directed by the Apex Court to approach the appropriate forum on May 10, 2018. Under the circumstances, management of the Holding Company, on the basis of legal advice, believes that the Holding Company's obligations against benefits is restricted to the extent of pension increases as determined solely by the Board of Trustees of the PTET in accordance with the Pakistan Telecommunication (Re-Organization) Act, 1996 and the Pension Trust Rules of 2012 and accordingly, no provision has been recognized in these Consolidated financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
13.4 Bank guarantees and bid bonds of Group issued in favor of:		
Universal Service Fund (USF) against government grants	16,303,088	12,848,281
Pakistan Telecommunication Authority against 4G, 3G and 2G Licenses	2,730,522	599,363
Others	3,168,433	2,616,704
	22,202,043	16,064,348
13.5 Commitments - Group		
Standby Letter of Guarantee	10,600	10,200
Letters of credit for purchase of stock	209,729	171,782
Letters of comfort in favour of PTML	3,500,000	3,500,000
Contracts for capital expenditure	16,488,164	10,838,181
Corporate guarantee in favour of PTML	25,000,000	-
	45,208,493	14,520,163

14. REVENUE

The Group mainly generates revenue from providing telecommunication services such as data, voice, IPTV, connectivity services, interconnect, information and communication technology (ICT), digital solutions and equipment sales, messaging services, sales of mobile devices etc. Further, U Bank provides banking and microfinance services.

For bundled packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate product and services (i.e. distinct performance obligations, "POs") in a bundle based on their stand-alone selling prices.

	Nine months ended	
	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
Broadband and IPTV	23,257,650	20,632,528
Cellular and other wireless services	38,690,080	36,975,362
Voice services	6,787,678	7,465,595
Revenue from retail customers	68,735,408	65,073,485
Corporate and wholesale	18,819,835	16,549,464
International	6,766,048	6,950,958
Banking	8,047,330	7,074,383
Total revenue	102,368,621	95,648,290

14.1 Revenue is stated net of trade discount amounting to Rs 1,346,139 thousand (September 30, 2020: Rs 1,428,414 thousand) and sales and other taxes directly attributable to sales amounting to Rs 15,592,499 thousand (September 30, 2020: Rs 11,612,675 thousand).

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		Nine months ended	
	Note	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
15. OTHER INCOME			
Income from financial assets	15.1	3,814,795	2,005,524
Income from non-financial assets		4,085,621	3,657,231
		7,900,416	5,662,755
15.1 Income from financial assets include Rs 301 thousand (September 30, 2020: Rs 246 thousand) earned from Shariah arrangements.			
		September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
16. CASH GENERATED FROM OPERATIONS			
Profit before tax		4,997,201	2,302,260
Adjustments for non-cash charges and other items:			
Depreciation of property, plant and equipment		20,322,536	20,140,603
Amortization of intangible assets		3,022,943	2,648,472
Amortization of contract costs		3,898,620	3,398,523
Depreciation of right of use assets		2,945,406	2,960,066
Impairment loss on trade debts and contract assets		1,168,402	1,577,649
Impairment loss on non performing loans to banking customers		1,044,096	965,459
Provision for obsolete stores, spares and loose tools		[33,517]	13,427
Provision for employees retirement benefits		3,202,720	3,112,248
Imputed interest on long term loans		10,620	15,056
Imputed interest on lease liabilities		217,207	1,383,593
Unearned revenue realized		[106,342]	[78,925]
Gain on disposal of property, plant and equipment		[820,673]	[1,080,552]
Gain on investments measured at fair value		[113,033]	[65,190]
Return on bank deposits and Government securities		[2,747,237]	[1,633,115]
Release of deferred government grants		[2,236,074]	[1,662,034]
Finance costs		7,784,320	5,861,053
		42,557,195	39,858,593
Effect on cash flows due to working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade, stores and spares		[1,325,186]	234,031
Trade debts and contract assets		[5,131,415]	[6,728,337]
Loans to banking customers		[3,886,418]	[7,487,238]
Loans and advances		[1,355,972]	[962,794]
Deposits, prepayments and other receivables		[1,185,458]	[3,149,151]
		[12,884,449]	[18,093,489]
Increase / (decrease) in current liabilities:			
Trade and other payables		6,139,806	4,820,365
Security deposits		20,483	16,652
		6,160,289	4,837,017
		35,833,035	26,602,121

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Nine months ended	
	September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
17. CASH AND CASH EQUIVALENTS		
Short term investments	-	11,432,075
Cash and bank balances	7,564,840	9,777,536
Short term running finance	(3,488,791)	(3,804,760)
	4,076,049	17,404,851

18. SEGMENT INFORMATION

For management purposes, the Group is organized into three operating segments i.e. fixed line communications (Wire line), wireless communications (Wireless) and Banking. The reportable operating segments derive their revenue primarily from voice, data and other services.

18.1 Segment information for the reportable segments is as follows:

	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
Nine months ended September 30, 2021				
Segment revenue	55,377,726	43,805,269	8,047,584	107,230,579
Inter segment revenue	(3,807,556)	(1,054,148)	(254)	(4,861,958)
Revenue from external customers	51,570,170	42,751,121	8,047,330	102,368,621
Segment results	5,495,336	(2,667,535)	853,949	3,681,750
Nine months ended September 30, 2020				
Segment revenue	51,666,976	41,757,793	7,075,002	100,499,771
Inter segment revenue	(3,767,393)	(1,083,469)	(619)	(4,851,481)
Revenue from external customers	47,899,583	40,674,324	7,074,383	95,648,290
Segment results	3,946,593	(2,950,952)	566,342	1,561,983
	Wireline	Wireless	Banking	Total
	Rs '000	Rs '000	Rs '000	Rs '000
As at September 30, 2021				
Segment assets	176,484,598	185,923,179	79,305,008	441,712,785
Segment liabilities	128,679,096	153,469,356	70,094,471	352,242,923
As at December 31, 2020				
Segment assets	177,718,707	144,112,373	69,536,435	391,367,515
Segment liabilities	119,691,288	123,288,202	61,394,635	304,374,125

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		Nine months ended	
		September 30, 2021 (Un-Audited) Rs '000	September 30, 2020 (Un-Audited) Rs '000
19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES			
Relationship with the Group	Nature of transaction		
i. Shareholders	Technical services assistance fee	3,582,902	3,347,690
ii. Associated undertakings	Sale of goods and services	2,856,822	3,189,255
	Purchase of goods and services	562,875	618,860
	Prepaid rent	512,827	466,206
iii. Employees	PTCL Contribution to PTET	-	2,000,000
benefits plans	PTCL Gratuity Fund	49,614	49,454
	PTML Gratuity Fund	66,939	69,240
	U Bank Gratuity Fund	36,514	28,935
iv. Employees	PTCL PTCL Employees GPF Trust - net	33,109	86,384
contribution plans	PTML Provident Fund	116,093	112,825
	U Bank Provident Fund	30,661	26,573
v. Other related parties	PTCL Charges under license obligation	1,271,771	1,215,190
	PTML Expenses reimbursed to Pakistan MNP Database (Guarantee) Limited	21,500	24,175
vi. Directors, Chief Executive and Key Management Personnel	Fee and remuneration including benefits and perquisites	1,328,435	1,405,529
		September 30, 2021 (Un-Audited) Rs '000	December 31, 2020 (Audited) Rs '000
Trade debts			
- Associated undertakings		14,114,304	10,635,624
Deposits, prepayments and other receivables			
- Associated undertakings		71,305	71,305
- PTCL Employees GPF Trust		-	12,208
- Pakistan Telecommunication Employees Trust (PTET)		1,065	1,262
- Rent prepaid to PTET		-	96,125
- Pakistan MNP Database (Guarantee) Limited		10,750	10,750
Pakistan Telecommunication Employees Trust (PTET)		766,491	2,257,551
Long term loans to executives and key management personnel	PTCL	64,139	80,543
	PTML	-	3,728
	U Bank	17,625	-
Trade and other payables			
Trade creditors			
- Associated Undertakings		1,806,134	1,469,091
- The Government of Pakistan and its related entities		1,089,417	1,282,461
Retention money payable to associated undertaking		3,055	3,055
Technical assistance services fee payable to Etisalat		29,410,315	25,827,068
PTCL Employees GPF Trust		20,901	-
Pakistan Telecommunication Company Limited			
Employees Gratuity Fund		587,130	240,788
PTML			
- Gratuity Fund		66,785	40,399
- Provident Fund		22,741	-
U Bank			
- Gratuity Fund		2,414	3,518
- Provident Fund		3,987	1,236

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

20. FAIR VALUE ESTIMATION

The financial liability of forward exchange contracts at fair value through profit or loss is Nil (December 31, 2020: Nil).

The carrying value of financial assets and liabilities approximates their fair value.

21. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	Gross amounts subject to offsetting Rs '000	Offset Rs '000	Net amount Rs '000	Amount not in scope of offsetting Rs '000	Net as per statement of financial position Rs '000
As at September 30, 2021					
Trade debts and contract assets	19,436,387	(5,054,340)	14,382,047	24,369,024	38,751,071
Trade creditors	(5,759,835)	5,054,340	(705,495)	(12,822,152)	(13,527,647)
As at December 31, 2020					
Trade debts and contract assets	17,847,596	(6,767,755)	11,079,841	22,547,120	33,626,961
Trade creditors	(7,620,907)	6,767,755	(853,152)	(12,135,039)	(12,988,191)

22. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements for the year ended December 31, 2020. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 2020.

23. CORRESPONDING FIGURES

Following corresponding figures have been reclassified for appropriate presentation:

Condensed consolidated interim statement of profit or loss

	As previously reported Rs '000	Reclassification Rs '000	As reclassified Rs '000
Cost of services	71,316,177	174,501	71,490,678
Administrative and general expenses	12,854,848	(326,264)	12,528,584
Selling and marketing expenses	5,034,949	151,763	5,186,712

24. DATE OF AUTHORIZATION FOR ISSUE OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements for the nine months period ended September 30, 2021 were authorized for issue by the Board of Directors of the Holding Company on October 18, 2021.

Chief Financial Officer

President & CEO

Chairman